VZCZCXRO9553 OO RUEHRG DE RUEHSO #0771/01 1951832 ZNR UUUUU ZZH O 141832Z JUL 06 FM AMCONSUL SAO PAULO TO RUEHC/SECSTATE WASHDC IMMEDIATE 5413 INFO RUEHBR/AMEMBASSY BRASILIA 6498 RUEHRG/AMCONSUL RECIFE 3046 RUEHRI/AMCONSUL RIO DE JANEIRO 7273 RUEHAC/AMEMBASSY ASUNCION 2682 RUEHBU/AMEMBASSY BUENOS AIRES 2355 RUEHSG/AMEMBASSY SANTIAGO 1807 RUEHMN/AMEMBASSY MONTEVIDEO 2080 RUEHLP/AMEMBASSY LA PAZ 2918 RHEHNSC/NSC WASHDC RUEAIIA/CIA WASHDC RUMIAAA/USCINCSO MIAMI FL RUEAWJC/DEPT OF JUSTICE WASHDC RUEABND/DRUG ENFORCEMENT ADMIN HQ WASHDC

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DEPARTMENT FOR DS/IP/WHA, DS/ICI/PII, DS/DSS/OSAC, WHA/BSC NSC FOR CRONIN
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BRASILIA FOR RSO AND LEGAT; RIO DE JANEIRO FOR RSO
SOUTHCOM ALSO FOR POLAD

SIPDIS SENSITIVE

E.O. 12958: N/A

TAGS: PGOV PHUM KCRM SOCI SNAR ASEC BR SUBJECT: VIOLENCE CONTINUES TO DIMINISH IN SAO PAULO NIGHT OF JULY 13, TRANSPORTATION NORMAL ON JULY 14

REF: Sao Paulo 765 and Previous

11. (U) Sao Paulo and neighboring cities suffered a third night of attacks the evening of July 12/morning of July 13 from the organized criminal gang First Capital Command (PCC), though the level of violence continued to fall. There were only about 17 attacks (no deaths) reported overnight: two injured (a bus driver severely burned and a civil police office worker shot); four police stations attacked; four buses burned; two garbage trucks burned (with the subsequent suspension of service in the west and south of the city leaving six million inhabitants without garbage pickup); and three banks, two car dealerships, one supermarket, and a storefront of a mall firebombed. Authorities announced on July 13 that police officers dressed in civilian clothes would ride on buses traveling 20 main bus routes in Sao Paulo, a measure questioned by some commentators as likely to endanger the public if shootouts on crowded buses ensued. After the disruption in bus service caused by fearful bus companies keeping most vehicles off the streets on July 13, bus and other transportation services operated normally the day of July 14.

Views of Sao Paulo Governor

- ¶2. (SBU) Deputy Principal Officer, ARSO, and Political Assistant had lunch July 13 with Sao Paulo State Governor Claudio Lembo and Deputy International Affairs Advisor Carlos Garcete at the Governor's invitation to discuss possible USG technical assistance to help the state deal with the ongoing violence created by organized crime. Lembo welcomed the August 1 arrival of a NAS-sponsored DOJ prison advisor and a PAS-sponsored seminar on combating organized crime to be held in August. Lembo made the following observations:
- -- On the PCC and the Current Violence: The current round was fueled by a false news report that 40 top imprisoned PCC leaders would be transferred to a new federal prison. Lembo said there was no reason to transfer them (and risk a new outbreak of violence) from the controlled cells in state prisons where they are held now.

The Governor said procedures had been tightened and PCC leaders no longer have easy access to cell phones. He blamed former Prisons Secretary Nagashi Furukawa, whom Lembo fired after the May violence,

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for being too soft on the criminals and giving them too many concessions. He likened the PCC attacks to urban guerrilla warfare.

- -- On GOB Offers of Assistance: The GOB's main offer of members of the "National Force" is meaningless. The National Force is made up of members of each state's uniformed ("military") police, meant to reinforce a state during an emergency. The Force would send a battalion of 280 police, a drop in the bucket for a state with 147,000 police (87,000 of them military police). Lembo denied that the GOB had offered to send the Brazilian military, an offer he said he would accept if the situation greatly deteriorated. He noted he would receive Justice Minister Thomaz Bastos the following day to discuss cooperation. (Note: Lembo and President Lula and other GOB figures continue to trade barbs, with Lula criticizing Lembo's refusal to accept federal help, and Lembo attacking Lula for using Sao Paulo's violence for electoral ends. End Note).
- -- On the Bus Problems: Lembo asserted that some bus companies did not provide service on July 13 as a tactic to force an increase in bus fares. In addition, informal microbus services, which are said to pay protection money to the PCC, benefited from the bus problems. Lembo alleged that PT official Jilmar Tatto, a former transportation secretary under the previous PT mayorship of Sao Paulo, had ties to the PCC and was likely supportive of the bus burnings. (Comment: Lembo offered no real proof of these accusations. PSDB presidential candidate Geraldo Alckmin and gubernatorial candidate Jose Serra also publicly questioned the ties between the PT and PCC-influenced microbuses, which was vehemently denied by President Lula himself. End Comment).

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-- On Human Rights Accusations: Lembo denied that police committed human rights abuses during the May violence when a number of suspected criminals were killed, and that all accusations will be fully investigated. Regarding precarious overcrowding in several prisons, he stated that the prisoners themselves had destroyed their facilities and still lived in their cells without doors, and that the state is moving to improve the situation.

Until the Next Time

13. Comment: This latest round of violence seems to be winding down, with a total so far of 133 attacks over three days, eight deaths, transportation problems, and new forms of attacking civilian targets; however, it never approached the intensity of the mid-May violence, with a reported 370 attacks, 138 deaths (42 security forces, 4 civilians, at least 92 suspected criminals), and simultaneous riots in 82 prisons. The underlying factors causing these outbreaks of violence by the PCC are far from being resolved, and many feel it is simply a matter of time before the current truce is broken again. End Comment.

MCMULLEN